



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Moab Field Office

82 East Dogwood

Moab, Utah 84532

<http://www.blm.gov/utah/moab>



In Reply Refer To:

3160

Cane Creek Unit, UTU80000X

(UTY012)

Mr. Wesley Adams

Fidelity Exploration & Production Company

1801 California Street, Suite 2500

Denver, Colorado 80202

Re: Extension of Authorization to Flare Natural Gas

Cane Creek Unit

Grand and San Juan Counties, Utah

Dear Mr. Adams:

This office last granted Fidelity Exploration and Production Company (Fidelity) approval to flare natural gas produced from the Cane Creek Unit through December 31, 2014. We acknowledge the challenges that have delayed completion of the pipeline system, while fully recognizing the continuous construction operations that Fidelity has diligently pursued.

Consistent with the Conclusions of the Utah Board of Oil, Gas and Mining in Cause No. 196-44 dated December 18, 2014 on this matter, and pursuant to Notice to Lessees and Operators of Onshore Federal and Indian Oil and Gas Leases 4A (NTL-4A), Fidelity is authorized by the Bureau of Land Management to flare natural gas from the Cane Creek Unit through March 31, 2015 or until the infrastructure necessary to capture, transport and process natural gas is placed into service, whichever occurs first.

This extension carries with it the same conditions applied to the prior authorizations, which are as follows:

- The BLM may terminate this authorization for lack of diligence on the part of Fidelity. Should the BLM make such a finding, termination of the authorization

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will not take place without first allowing Fidelity at least 30 days advance notice of the decision and the opportunity to provide rebuttal.

- If at any point during the term of this authorization the BLM determines that in the interest of resource conservation or regulatory compliance it is necessary to establish a maximum flared gas volume, the BLM reserves the right to establish such a threshold after first giving the operator at least 30 days advance notice of the decision and the opportunity to comment and/or request a review by the State Director.

Should you have any questions, please contact Eric Jones of this office at 435-259-2117.

Sincerely,

/s/ Beth Ransel

Beth Ransel
Field Manager

cc: DOGM, Dustin Doucet
UT922, A. McKee, M. Coulthard
Office of Natural Resources Revenue
EJones:mm:1/7/15